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SUBJECT: MEDIA REACTION: AFGHANISTAN, IRAQ, HAITI, MIDEAST, U.S.,
ECONOMIC;BERLIN

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¶1. Lead Stories Summary

The majority of newspapers dealt with Left Party leader Oskar Lafontaine's decision to step down from the party leadership. Frankfurter Allgemeine carried an interview with Defense Minister zu

Guttenberg, while Sueddeutsche Zeitung reported that Germans have to expect an increase in contributions to the statutory health care system. Editorials focused on Oskar Lafontaine's stepping down from the Left Party's leadership and Foreign Minister Westerwelle's proposal to help Taliban supporters cut their links to the group. Other editorials dealt with proposals to reform the banking system.

ZDF-TV's early evening newscast heute opened with a report from Haiti and ARD-TV's early evening newscast Tagesschau opened with a story on Oskar Lafontaine.

¶2. (Afghanistan) Run-Up to London Conference

All papers reported that the German government will change its strategy when it comes to the training of Afghan security and police forces and offer this training not only in camps and bases but will also go to the countryside and train Afghans security forces in the

field. In addition, the government is obviously thinking of increasing the Bundeswehr forces by 500 soldiers, even though this figure has not yet been confirmed. In addition, Foreign Minister Westerwelle has suggested an exit program for Taliban supporters.

Weekly Der Spiegel's cover story (three pages) also deals with the events in Afghanistan and it reported that "The Americans have approved on a new strategy against the Taliban shortly before the beginning of the London conference. The German government can only

follow or continue to make a fool of itself. But if it backs the [U.S.] strategy, the number of German victims is likely to follow."

In its report, Der Spiegel noted that "the London Afghanistan conference was considered a focal point of Germany's policy towards

Afghanistan, but now the German government is faced with a similar rank such as at the climate summit in Copenhagen. It is allowed to

present its views here and there but it will hardly have any influence

on the great questions. The term 'middle power' on which German politicians got high on for a while only sounds absurd. Such as China

determined the climate summit, the United States dominates the policy

on Afghanistan. The weeks before the conference turned into an embarrassment for the Germans, not only because of the arrogance of a

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Richard Holbrooke. The Americans decided to send 2,500 soldiers to Northern Afghanistan. This is a clear vote of no-confidence against the Germans who are responsible for the North."

Tagesspiegel carried a front-page report under the headline: "Bundeswehr to leave its Camps more often - new Strategy for the Afghanistan Mission." Die Welt carried a front-page report under the headline: "Westerwelle Wants to Pacify Taliban with Money," while Financial Times Deutschland headlined: "Additional Trainers for Police and Armed forces - Today Decision on New Strategy - Opting-out Fund for Taliban," and reported that "The German government wants to extend its engagement in Afghanistan primarily for the civilian reconstruction and when it comes to the training of security forces.

Today, the four Ministries involved in the talks will meet with Chancellor Merkel to coordinate the final details." In another report, FT Deutschland headlined: "The West Wants to Defeat Taliban with Money," and wrote: "The international community has a new peace plan for Afghanistan. After years of futile attempts to defeat the Taliban militarily, the Afghanistan conference in London this Thursday is to approve a fund that is to help reintegrate the insurgents. This fund in which the U.S. the UK, Germany and other states are involved is to be a first step for a long-term peace process." Sueddeutsche

Zeitung headlined: "Taliban Who Want to Take Part in Exit Program Urgently Wanted," while Berliner Zeitung reported that "[Defense Minister] zu Guttenberg Offers more Soldiers for Afghanistan."

Deutschlandfunk commented: "Foreign Minister Westerwelle announced intensified German efforts for the civilian reconstruction of the country and an exit program for the Taliban, which, according to Westerwelle, have joined the group not out of a fanatic conviction

but out of economic reasons. With this proposal the German government is backing the views of mockers saying that it would be better to pay all Afghans a monthly salary, which would be cheaper and result in fewer casualties than sticking to an expensive international military mission that causes many losses. This war cannot be won militarily.

ISAF and NATO cannot avoid learning the same lesson in Afghanistan which forced the Soviets and the British to withdraw their forces after heavy losses and without anything profoundly changing in the country. To have the political power in Afghanistan as a whole has always meant to be dependent on the support of the powerful tribal leaders or war lords whose loyalty can be bought. In so far, Westerwelle's exit program is not unrealistic...but with respect to Germany, only one concept could be implemented in a realistic way: the one on the withdrawal of the Bundeswehr."

In an editorial Frankfurter Allgemeine judged: "If the Bundeswehr

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is taking its mission seriously and creates security in its operational area, wants to make possible reconstruction and development, and if it also wants to protect the Afghan population from Taliban attacks...then, according to military experts, the current forces are not enough. More trainers are also necessary for the training of the Afghan armed forces. Those who are speaking of 'a perspective for a withdrawal,' but ignore the decisions that must be made now, are fooling themselves and the public."

Leipziger Volkszeitung deals with the exit program for Taliban supporters that Foreign Minister Westerwelle has suggested and opined: "It is Westerwelle's secret of how such a program should work in a mountain village in the Hindu Kush. The Bundeswehr had to hear from its U.S. ally that it has not shown presence 'in the field.' Now the federal government has no scruples using its checkbook and categorizing who is to be considered a radical and a moderate among the Taliban. This is not only a sign of hubris but is also a play with fire."

Regional daily Morkische Oderzeitung of Frankfurt on the Oder judged: "Foreign Minister Westerwelle considered it a good idea to offer money to Afghans who fight with the Taliban. In return, they should no longer use violence. This is an expensive idea and only reveals the West's helplessness concerning the situation in Afghanistan. Indeed, a small part of the Taliban supports [the terrorist group] out of misery. But this does not mean that they would leave the organization for money. On the one hand, they are ideologically trained to hate the state that is supported by the West, and, on the other hand, as 'traitor' of Islam they are threatened with death or they could be ostracized. And with them, a large scale family would also be threatened and such a structure is the rule in Afghanistan."

13. (Iraq) Biden Visit

Several papers carried factual news reports on Vice President Biden's visit to Baghdad. Frankfurter Allgemeine headlined: "Biden Failed in Baghdad," and reported: "Prime Minister Maliki keeps insisting on the exclusion of many Sunnis from the elections. When looking of the list of candidates, who were excluded from the elections, then this were overwhelmingly only Sunnis. While President Talabani criticized the measure against alleged collaborators, Prime Minister Maliki even defended his views in talks with Biden. A spokesman for Maliki said

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that Biden had not come to Baghdad 'to interfere in domestic affairs but to discuss the strategic relations between the United States and Iraq.' Following his talks in Baghdad, Biden expressed his optimism that the Iraqi leadership would continue to 'work for a comprehensive and fair solution.'" Tagesspiegel reported under the headline: "Candidates Remain Excluded," and said: "Vice President Biden's visit to Baghdad fell on deaf ears. He was unable to assert his criticism of the exclusion of more than 500 politicians in the elections."

Under the headline: "Cold Shoulder," Frankfurter Allgemeine editorialized: "U.S. Vice President Joe Biden has now tried in vain to prompt the electoral commission in Baghdad to review the exclusion of secular candidates who have thus far proven to be loyal and capable.

Washington is afraid that the election could not be considered legitimate. The Sunnis in particuar are faced with serious disadvantages. America that toppled Saddam Hussein has withdrawn its forces and deployed them in camps and bases and is now internally preparing for a troop withdrawal. But this will automatically also diminish its political influence on Baghdad."

14. (Haiti) Reconstruction Efforts

In a front-page editorial, Frankfurter Allgemeine remarked: "Given that the Pentagon is deploying an increasing number of soldiers in the region devastated by the quake, some people get a funny feeling. Although more aid would have been stuck in the air over Port-au-Prince without the effective American leadership, many in the region would like to hear more about Obama's plans: for how long will the Americans stay? This question is justified, however not because the bigmouths of Caracas and Managua are right.... Haiti now needs two who have been mistrusting each other for a long time. It is true what Kofi Annan said in his last speech as UN secretary general: history shows that the UN system works badly when the U.S. stands aside. However, it can work very well when America has a farsighted leadership."

Sddeutsche editorialized: "Aid, particularly food, often proves to

be
a sweet poison that carries the germ for the next greater
catastrophe.
There are two kinds of assistance: the good and sustainable one is
focusing on stimulating the people to help themselves. It sets the
foundation for the people to get on their feet as soon as possible
and
to get their lives under control again. The bad one creates
dependencies and leads to a mentality of petitioners who do not
trust
themselves anymore but give in to their situations. Let's hope

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Haitians will find self-respect. One way to achieve this would be
to
establish a functioning agriculture that grows enough rice to feed
the
whole country. The land and the farmers are there, but because
Haiti
is only the hinterland of a large power, it had to open up its
markets
in the times of globalization for cheaper American rice. This soon
brought an end to Haitian rice production.... The domestic
production
in ruins, hunger imported: this was a very bad path. It would help
the country and the dignity of its people to correct this now. The
opportunity is there: never before has this forgotten part of the
island received so much sympathy and which is at least as
important-
many countries around the world are unexpectedly providing large
sums
of money. With it, Haiti could be turned into a self-sufficient
country.... Given its current situation, Haiti will accept the
assistance it gets. It looks as if it does not get what it needs:
the
aid to help itself. The WFP will continue to distribute the
surpluses
of the rich countries."

15. (Mideast) Peace Process, U.S. Role

Under the headline "Zigzag course," *Sddeutsche* editorialized that
"Obama has gambled away rapprochement between the Israelis and the
Palestinians by his shocking naivety.... A withdrawal would
certainly
by tempting for Washington. The rivals are stubborn, the situation
is
deadlocked and Barack Obama has just admitted in an interview that
his
ambitious Mideast plans have failed. The President said he has
underestimated a few problems and had therefore too many
expectations.
This analysis is right. However, apart from this remarkable
honesty,
Obama also reveals shocking naivety. This naivety is to blame for a
part of today's problems. The Nobel Peace Price laureate did not
just
promise more than he could keep, his zigzag policy also pushed the
rivals into positions that made negotiations more difficult... It
does
not make sense to send Mitchell again and again as a petitioner with
the increasingly bizarre task of negotiating whether negotiations
could be possible."

16. (U.S.) Obama Administration

Frankfurter Allgemeine commented: "Either President Obama has lost
his
composure, or, what is more likely, his angry complaints about
judges

suggested the style that should lead him out of his defensive....
Two days earlier, he already attacked the country's large banks and said he would keep a tighter rein on them. There is no question about this: After the electoral defeat in Massachusetts, the President has

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chosen a more aggressive line." In a separate report, Frankfurter Allgemeine headlined "Back in the election campaign," and added that "Obama is taking flight in left-wing rhetoric."

Die Welt highlighted: "U.S. President pretends to be close to the people again and is more aggressive: open battle with the U.S. supreme court-major speech awaited on Wednesday.... With populist furor, President Obama tries to respond to the crisis of his presidency and that of the Democratic Party."

In an editorial under the headline "A week of Defeats for Barack Obama - the President under Pressure," Die Welt (1/23) noted: "The President is fighting again. Not for his agenda, but his office. At the beginning of his second year in office, Barack Obama stands with his back to the wall. Liberal Massachusetts dealt him a personal defeat... He is now obviously trying to appeal to Main Street again and to tackle to continuing job crisis. And he hits Wall Street with populism. It remains to be seen whether this dual strategy will work. However, he does not have many alternatives."

¶7. (Economic) Banking Regulation

Handelsblatt judged in an editorial: "President Obama's proposals on the disintegration of big banks have not only shook up the international banking landscape like an earthquake. With his politically motivated move, Obama also has shaken up the previous plan of an internationally coordinated financial reform. Those who insist that the big banks must pay for their mistakes in the market economy, must develop rules that will not result in a danger for the financial system once they go bankrupt. Higher capital requirements can slow down growth, but not remove risks stemming from large banks. Despite all the criticism of the U.S. proposals, Obama has put the finger in the right wound. Europe should follow him."

Sueddeutsche Zeitung (1/23) argued: "Basically we must thank the bankers in the U.S. and Europe that they are acting the same way they did before the financial crisis. President Obama now wants to prevent the banks from making high risk investments, restrict trade among themselves and, if necessary, force them to disintegrate. It does not matter whether Obama is serious or whether he only wants to score points after the most recent domestic hit below the belt. It is important that he acts at all because, without the United States, a global financial reform will be impossible.... But the decisive question has not yet been resolved: How can a bank be prevented from becoming so powerful that it can force the state to bail it out in case of a worst case scenario? We also owe it to Chancellor Merkel

that this question is still on the agenda.... At the global level Chancellor Merkel should back Obama's proposal to limit risky businesses of banks. But everyone should quickly bid farewell to the proposal that governments could stay out of crisis management. The state will always be the last resort because it is the state which has the means and the authority to prevent a conflagration. This, too, is a lesson from the crisis."

Frankfurter Allgemeine (1/23) editorialized: "President Obama now seems to take on the banks. The loss of his popularity, the loss of a Senate seat, and the anger of the people at the fat cats at Wall Street are the reasons for this change of course. But will Obama assert his views? Wall Street has a powerful lobby with good connections to the Republicans, who, as defenders of the banks, hardly have a chance to score points among the voters. A debate over the size of banks...is more appropriate than the populist call for punitive taxes or a limit on bonus payments. A splitting up of banks cannot prevent the next crisis but could contribute to preventing states from being liable for deposits to prevent a run on banks."

Under the headline "Obama's Herculean task," FT Deutschland noted: "President Obama must still demonstrate that he is serious about his plans to tighten the regulation of banks. However, the Europeans should follow his example.... Although many details are not yet clear, the direction is right. For his fight, the President should be quickly supported by all those who have to take the necessary legal steps after this crisis. The American President is facing an opponent who knows every trick in the book."

According to FAZ, "the German government does not want President Obama to leave it in the dust. The billions of euro with which the German taxpayer had to save the banks have not been forgotten. But Chancellor Merkel and Finance Minister SchQuble should do more than just making announcements. Why should it always last a few months before the first proposals come to the fore? It is right to support international coordinated efforts. Even bankers are saying that the casino at the financial markets has reopened again. But what SchQuble has presented thus far is nothing but white ointment. What would be more important is to work out insolvency procedures for systemic banks. They must become insolvent without plunging the financial system into an abyss or having a chance to blackmail the state."

MURPHY